

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

UST
FILED

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IN RE:

Santee River Rubber, Company, LLC,

Debtor.

Chapter 11

Case No. 00-9624-W

DISTRICT OF SOUTH CAROLINA

TO: ALL CREDITORS AND PARTIES IN INTEREST

**NOTICE AND APPLICATION FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS,
ENCUMBRANCES AND OTHER INTERESTS PURSUANT TO 11 U.S.C. §363(b)(1) and (f)**

YOU ARE HEREBY NOTIFIED that the Chapter 11 Trustee ("Trustee" or "Seller") seeks approval of the sale of the assets described in Exhibit A free and clear of all liens, encumbrances, and interests according to the terms and conditions stated below.

TAKE FURTHER NOTICE that any **response, return and/or objection** to this application, should be filed with the Clerk of the Bankruptcy Court no later than **April 19, 2002**, and a copy simultaneously served on all parties in interest.

TAKE FURTHER NOTICE that no hearing will be held on this application unless a response, return and/or objection is timely filed and served, in which case the Court will conduct a hearing on **April 23, 2002, at 10:30 a.m., at the J. Bratton Davis United States Bankruptcy Courthouse, 1100 Laurel Street, Columbia, South Carolina**. No further notice of this hearing will be given.

TYPE OF SALE: Private

PROPERTY TO BE SOLD: The equipment described in Exhibit A. The equipment being sold is located at the so-called Pilot Plant which is a building located approximately 2 miles from the Debtor's main plant. The landlord of the Pilot Plant is Hopkins Partnership. The lessee of the Pilot Plant was Environmental Processing Systems, Inc. ("EPS"), an equity interest holder of the Debtor. The equipment in the plant is titled in the name of EPS. EPS and the Trustee have now agreed that EPS will convey its interest in the equipment to the Trustee. In addition, Hopkins Partnership and John Hopkins (collectively "Hopkins") have agreed that if the equipment is removed from the Pilot Plant prior to May 1, 2002, Hopkins will release any claims they have or may have against the Trustee and bankruptcy estate. These agreements are being noticed to all creditors and parties in interest. Upon entry of the court order approving the settlement with EPS and the settlement with Hopkins and within ten (10) days after the Trustee has complied with the requirement that the equipment be removed from the Pilot Plant prior to May 1, 2002, the sale of the equipment described herein will be consummated.

The property shall be sold as is, where is, unconditionally and with all faults. The Trustee shall under no circumstances be deemed to have made, and the Trustee expressly herewith disclaims, any representation or warranty, express or implied, including the condition of the property and each part thereof, and the adequacy, suitability or fitness for any particular purpose of the property or any part thereof.

SALES PRICE: \$50,000.00 ("Purchase Price").

APPRAISED VALUE: Trustee does not have an appraisal for the assets.

BUYER: Recovery Technology Group of South Carolina, Inc. ("Buyer"). The court previously entered an order approving the sale of the Debtor's equipment and machinery, other than the assets listed herein, for

5/14/515

\$2,000,000.00 to Buyer or its assigns.

PLACE AND TIME OF SALE: Closing will occur as soon as possible after Court approval, at a location and time mutually convenient to the parties.

SALES AGENT/AUCTIONEER/BROKER: None.

COMPENSATION TO SALES AGENT/AUCTIONEER/BROKER: N/A

ESTIMATED TRUSTEE'S COMMISSION ON SALE: None

LIENS/MORTGAGES/SECURITY INTERESTS ENCUMBERING PROPERTY: The Bank of New York, as indenture trustee for various bondholders ("BNY"), has a lien on all assets of the Debtor. After all settlement orders, as described above, have become final and the Trustee has complied with the requirement that the equipment be removed from the Pilot Plant by May 1, 2002, with the Debtor then obtaining outright ownership of the equipment, BNY's lien shall attach to the equipment and the sales proceeds therefrom.

DEBTOR'S EXEMPTION: None.

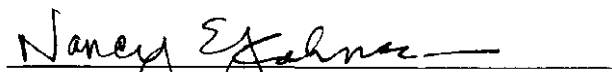
PROCEEDS ESTIMATED TO BE PAID TO ESTATE: \$50,000.00 which will be paid to BNY toward reduction of BNY's claim.

Trustee is informed and believes that it would be in the best interest of the estate to sell said property by private sale. The court may consider additional offers at the hearing held on this notice and application for sale. The court may order at any hearing that the property be sold to another party on equivalent or more favorable terms.

The Trustee may seek appropriate sanctions or other similar relief against any party filing a spurious objection to this notice.

WHEREFORE, Trustee requests the Court issue an order authorizing sale of said property and such other and further relief as may be proper.

ROBINSON BARTON MCCARTHY & CALLOWAY, P. A.



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Columbia, South Carolina
April 3, 2002

Address of Court
J. Bratton Davis United States Bankruptcy Courthouse
P.O. Box 1448
Columbia, SC 29202

PILOT PLANT EQUIPMENT

<u>Quantity</u>	<u>Description</u>
1	Micro-Tech MT-400 Cyro Material Grinder with Control Panel
7	Spare Screens for Minox/Elcan
1	Bag House Cooler
1	Eriez "Cross Belt" Magnet
1	Eriez "Rare Earth" Magnet
1	Witte Dryer System with Burners
2	Spiro Flow Conveyors
1	Rage Bagging System with Rotary Airlocks
1	Rage Compressor
2	Rage Vacuum Feeders
1	Minox/Elcan Screener with Blower
1	Minox/Elcan Filter Receiver
2	Grainger Cyclone Separators
1	Rage System Motor Control Panel
1	Subcontractor Motor Control Panel
1	Eriez Vibratory Feeder
1	Bulk Volumetric Feeder (Flow-Aid)
1	Bulk Rotary Airlock
1	Bulk Sifter (Centrifuge Screener)
1	Rage Bagging System
1	Rage (Sub) Compressors
2	Rage (Sub) Feed Hoppers
2	Vacuum Blowers (Located Outside)
2	5-HP Compressors (1 Micro-Tech) (1 Overall Plant Air)
1	Self-Sealing Bagging System
1	2-ton Overhead Portable A-Frame Hoist

Associated Piping and Piping-Related Fittings/All Electrical Hook-ups Miscellaneous

Exhibit A